

Cobalt Coal Ltd.
Tailwind Capital Partners, Inc.
Al Kroontje
900, 903 – 8th Ave SW
Calgary, Alberta T2P 0P7

July 8, 2017

G.E.M. Holdings US Corporation

3524 Silverside Road, Suite 35B

Wilmington DW, County of New Castle, 19810-4929, USA

Attn: Mr. Stephen Moscicki and Mr. David Winduss

And to:

McCarthy Denning

49 Queen Victoria Street, London, EC4N 4SA

Attn: Ms. Pamela Henry and Mr. Richard Beresford

RE: Additional Notice of Default Pursuant to the Share Purchase Agreement dated August 24, 2015 with an effective date of September 1, 2015 (the “SPA”) which was closed pursuant to the Closing Addendum dated December 7, 2015 (the “Closing Addendum”) and amended pursuant to the Second Addendum dated March 3, 2015 (the “Second Addendum”) each of which were novated and assigned to G.E.M. Holdings US Corporation pursuant to the Novation and Amending Agreement effective August 31, 2016 (the “Novation Agreement”) which is to be further amended, upon completion, by the Waiver and Third Addendum to the Share Purchase Agreement dated March 29, 2017 (the “Waiver and Third Addendum”) (the Waiver and Third Addendum

together with the SPA, the Closing Addendum and the Novation Agreement shall be referred to herein as the "Cinchco Acquisition Agreements").

Reference is made to the Notice of Default served upon the Buyer by Cobalt Coal Ltd. and Tailwind Capital Partners, Inc. on March 3, 2017 pursuant to the SPA, the Closing Addendum, the Second Addendum and the Novation Agreement (the "Continuing Default").

Reference is made to the Demand Notice served upon the Buyer by Cobalt Coal Ltd., Tailwind Capital Partners, Inc. and Al Kroontje on July 7, 2017 requiring completion and execution of the agreements required to secure the Buyer's obligations to the Seller pursuant to the Waiver and Third Addendum within 10 days (the "July 7 Demand Notice").

This letter will serve as i) confirmation of the Continuing Default; and ii) an additional Notice of Default for Buyer's failure to make the June 15, 2017 payment required by the Waiver and Third Addendum (the "Additional Default").

Notices of Default and Remedy Sought

1) Continuing Default:

The Seller hereby restates the July 7 Demand Notice requiring that the agreements that secure the obligations of the Buyer to the Seller that are required to complete the Waiver and Third Addendum be fully executed by 5:00 pm, Virginia Time on July 24, 2017 (being 10 clear business days after the July 7 Demand Notice was served) (the "**Document Execution Deadline**") failing which the Continuing Default will not have been cured and the Seller demands that the Shares (as that term is defined in the Cinchco Acquisition Agreements) be immediately re-transferred to the Seller upon the passing of the Document Execution Deadline; and

2) Additional Notice of Default:


Notice of Default is hereby served in respect of the failure of the Buyer to make the June 15, 2017 payment in the amount of US \$100,000 required by the Waiver and Third Addendum.

Delivery has been affected in accordance with Article 16 of the Waiver and Third Addendum as follows:

- 1) This notice has been delivered by e mail scan to Buyer's officers, via e mail scan; and
- 2) A copy of this notice has been sent to Buyer's counsel, by email scan to Rberesford@Mccarthydenning.com; and
- 3) An original of this notice has been send by express mail to the Buyer at the address provided for in the Waiver and Third Addendum first written above.

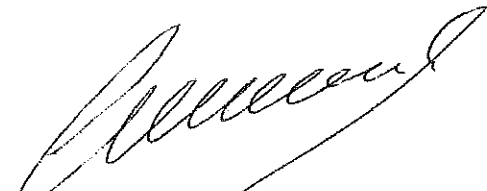
Yours truly

Cobalt Coal Ltd.

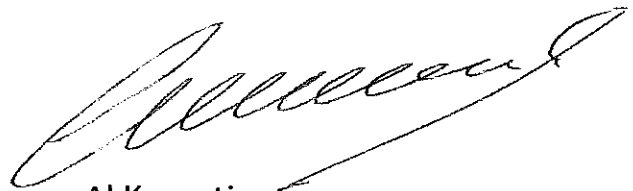


By: Al Kroontje, its Authorized Representative

Tailwind Capital Partners, Inc.



By: Al Kroontje, Director



Al Kroontje

Al Kroontje

From: Al Kroontje
Sent: July 8, 2017 1:37 PM
To: Stephen Moscicki; Stephen Moscicki; David Winduss (dw.ukcr@icloud.com); Richard Beresford; Pamela Henry (phenry@mccarthydenning.com)
Subject: Notice of Default
Attachments: GEM Additional Notice of Default.pdf

Stephen/David

Please find attached an Notice of Default that addresses the continuing Default and notes an additional event of Default in relation to the failure to make the June 15, 2017 payment.

Al Kroontje

Cc: Pamela Henry and Richard Beresford, McCarthy Denning.

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ROYAL OAK
125, 8888 Country Hills Blvd NW
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Canada Post / Postes Canada
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CALGARY T3G5T0
GST/TPS#: 895588788

2017/07/08 02:39:04 Preety
CC/CC102042 W/G1 TR974153

N° 10\$26.70 \$26.70
XP USA PP ENV LET/ENV LET PP XP EU

SUBTL/SOUS-TOTAL \$26.70
TOTAL TAX/TAXE TOTALE \$0.00
TOTAL/TOTAL \$26.70

CDN Cash / Espèces CAN \$40.00
CHG. DUE / MONNAIE (\$13.30)
RND. CHG. / MONNAIE ARRONDIE (\$13.30)

Receipt required for all returns.
Reçu requis pour tous les retours.

Tell us how we did today.
Complete the survey at
canadapost.ipsosinteractive.com
or text SURVEY to 55555
and enter to WIN one of two
\$250 Prepaid Visa Cards.
(Standard message and data
rates would apply for text
message)

Parlez-nous de votre expérience
aujourd'hui. Répondez au sondage sur
le site canadapost.ipsosinteractive.com
ou envoyez le mot SONDAGE par
message texte au 55555 et courez la chance
de GAGNER l'une de deux cartes Visa
prépayées de 250 \$. (Les frais standard
pour les messages textes et les
données s'appliquent.)

2017/07/08 02:43:57 Preety
CC/CC102042 W/G1 TR974159

Xpresspost USA Prepaid
É.-U. Messagerie nationale
Destination : 19870

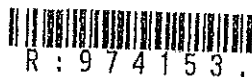


SUBTL/SOUS-TOTAL \$0.00
TOTAL TAX/TAXE TOTALE \$0.00
TOTAL/TOTAL \$0.00

CHG. DUE / MONNAIE \$0.00

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Complete the survey at
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pour les messages textes et les
données s'appliquent.)



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Item number / N° de l'article	EG 037 222 059 CA	2017 10 10 108
From / De	Customer No. / N° du client	Telephone No. / N° de téléphone
Cobalt Coat Ltd		603 607 4009
Address / Adresse	City / Ville	Postal Code / Code postal
900, 903 - 8th Ave SW	Calgary AB	T2P 0P7 CANADA
To / À	Customer No. / N° du client	Telephone No. / N° de téléphone
GEM HOLDINGS U.S.		
Address / Adresse	City / Ville	State / État
3524 Silverdale Rd. Suite 35B	Wilmington Delaware	
ZIP Code	Country / Pays	
19810-4929	UNITED STATES / ÉTATS UNIS	

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